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Easing the financial frustration of the 'sandwich' Gen Xers
By Rob Burgess
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The subtitle of a recent FINRA Investor Education Foundation report accurately depicts the conundrum afflicting Generation X clients: "Doing Alright but Feeling Bad."

The study, "How Gen X Compares Financially to Other Generations" takes a closer look at Gen X, or those born between 1965 and 1980, a cohort often referred to as the "forgotten generation."

Other advisors call it the "sandwich generation." Public attention has traditionally focused more closely on their preceding and succeeding generations — baby boomers, born between 1946 and 1964; millennials, born between 1981 and 1996; and Generation Z, born between 1997 and 2003.

David Nash, financial planner and founder of Tend Wealth in Sherman Oaks, California, said Gen Xers are "navigating a uniquely challenging stage of life."

"They're balancing the complexities of launching older children into adulthood while also caring for aging parents — all while trying to stay on track for their retirement," he said. "It's no wonder they report higher stress levels than younger millennials and Gen Z, who are often at an earlier stage with their own families."

Stephan Shipe, founder and CEO of Scholar Financial Advising in Concord, North Carolina, said Gen X clients often feel burdened by their finances due to a mix of factors such as mortgage responsibilities, high-interest credit and simultaneously supporting both aging parents and their children.

"Many find it challenging to repay debt and build savings as wage growth has been relatively stagnant compared to rising living costs, creating a financial squeeze," he said. "They may feel stuck between managing these obligations and saving for retirement, intensifying their financial stress."

Financially sound
The research found that, overall, Gen Xers reported good financial health given their life stage — that is, they are generally more likely to report healthy financial behaviors than the younger generations (Gen Z and millennials) but less likely than baby boomers.

Despite these results, few Gen Xers reported positive feelings about their financial situation. Instead, their views were similar to or more negative than those of the less affluent Gen Zers and millennials, and much more negative than

those of Baby Boomers.

While Gen Xers are doing fairly well financially given their life stage, only one-quarter of Gen X'ers reported high financial satisfaction, a proportion identical to that of Gen Zers and smaller than that of millennials, 29%, despite tending to have higher incomes than either of those groups. The percentage of Gen Xers reporting high levels of financial satisfaction is 19 percentage points lower than for boomers — 25% compared to 44%.

It's a natural human tendency to look toward the previous generation as a sort of benchmark to gauge financial progress around milestones like buying a home, graduating from college and getting ready for retirement, said David Flores Wilson, the managing partner of Sincerus Advisory in New York City.

"Unfortunately for Gen Xers, they're following in the footsteps of the most financially successful generation in the history of America," he said. "Baby boomers didn't have it easy with hyperinflation and a stagnant stock market in the 1970s, but on the other side of that was home affordability, low inflation and interest rates, strong GDP and corporate profit growth, globalization and low-cost investing options during peak earnings years allowing boomers to rapidly grow their balance sheets."

Shipe said Gen X is also the first generation after the pension boom and bust.

"Compared to their parent's generation, who saw pensions and more affordable living as commonplace, Gen X has had to generate their retirement savings in a time where the cost of living has increased so drastically," he said.

College expenses present a complication

Many Gen Xers reported feeling that they have "too much debt." They have relatively high amounts of debt associated with asset accumulation, like mortgage and auto debt, and household liquidity management, like credit card debt.

However, Gen X reported the highest levels of strain around educational debt, either for themselves or someone else, with 56% of Gen X student loan holders reporting concern about their ability to repay.

One common financial mistake Nash said he sees among his Gen X clients is offering a blank check for college expenses.

"We all want our children to follow their dreams, and it can feel painful not to support them fully, but this mindset can be financially devastating," he said. "It's no surprise that many Gen Xers whose children have already graduated still feel anxiety around student loan burdens."

Paul A. Caylor, founder and chief financial strategist at Prudent Wealth in Huntsville, Alabama, said in his experience, younger Gen Xers in their 40s have

student loan debt, while those in their 50s usually don't.

"The older Gen Xers … may still have student loans but most times it's a parental loan," he said. "I strongly advise against these, especially if it will jeopardize their retirement. The older Gen Xers [are already] facing being the sandwich generation; dealing with their kids and also their parents' additional care, maybe assisted living or nursing home care. They may be caring for their parents as well, financially and or time-wise."

Each generation has had its own unique set of challenges and circumstances, but the seminal financial issues that impact Wilson's largely Gen X and millennial client base are the ever-rising cost of higher education and healthcare.

"Gen X are often feeling sandwiched from finally paying off their own higher education debt burden, saving or paying for their children's education costs, and then having to think about potentially costly care for their parents," he said.

Jason Gilbert, founder and managing partner of RGA Investment Advisors in Great Neck, New York, said in his practice, Gen X clients "stand out due to a unique blend of financial acumen and concern."

"While they demonstrate robust financial behaviors — consistently investing and planning for retirement — the financial satisfaction gap highlighted by the recent FINRA report resonates deeply," he said. "Many Gen X clients carry a sense of financial unease, often stemming from high debt levels across mortgages, credit and, increasingly, educational debt taken on for children."

Making a plan to reduce anxieties

On the other hand, Nash said, some Gen Xers might be in a better financial position than they think.

"Building a financial plan that examines the data around projected retirement can help alleviate concerns, bringing clarity and peace of mind — and perhaps making it easier to enjoy life with less stress," he said.

Six in 10 Gen X respondents reported owning a retirement savings account. Within this group, over 80% are actively contributing to these accounts. And, with a small percentage of Gen Xers reporting taking a loan, 10%, or hardship withdrawal, 9%, from their retirement accounts in the last 12 months, Gen X appears to be mostly contributing to and not withdrawing from their retirement savings.

Gilbert said as an advisor, his role is to bridge the gap between strong financial behavior and actual peace of mind. He said his firm works with clients to take a strategic view of their debt, often starting with a debt-reduction plan that aligns with their long-term goals.

"For instance, leveraging tax-advantaged retirement accounts and restructuring

high-cost debts not only builds liquidity but enhances control over their financial trajectory," he said. "Our approach is comprehensive and collaborative, helping Gen X clients feel empowered through a clear financial plan that prioritizes both debt management and wealth accumulation. This balance, especially for a generation nearing retirement, can significantly increase financial satisfaction and reduce anxiety, making them feel genuinely prepared for what lies ahead."

Hazel Secco, CFP and founder of Align Financial Solutions in New York City, said she works with many Gen X clients. She said in her experience, the debt levels of Gen Xers don't differ significantly from those of millennials or Gen Z.

"However, I often notice a distinct mindset: Gen Xers tend to view debt as a liability they want to clear, including paying off their mortgage before retirement," she said. "It's not always about the actual amount of debt — it's often about their perspective on debt and financial security."

When she works with Gen X clients, Secco said her firm takes a thoughtful approach to weighing the pros and cons of paying off debt, especially the mortgage.

"We discuss what makes the most sense for their unique situation and future goals, aiming to make informed rather than purely emotional decisions around debt," she said. "Many Gen Xers are actually in a stronger financial position than younger generations, yet sometimes still carry negative feelings around debt and money."

Secco said her goal is to help them find satisfaction and peace with their financial choices.

"Working with Gen Xers is incredibly rewarding because it can be truly transformational," she said. "I help them build a positive, empowered mindset around money, so they can approach their future with confidence and clarity."